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GRAND RESOURCE AREA
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United States Department of the Interior
Bureau of Land Management
Moab District
Grand Resource Area
885 South Sand Flats Road
Moab, Utah 84532

DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT

Attn: District Manager

Reference is made to the letter received dated October 7, 1994 with the Numbers 3809, UTU78488, (UT-068) noted as identification.

Absolute Mining & Minerals, Inc is herewith submitting in narrative form, answers to all queries required by your concern.

GENERAL INFORMATION:

Present plans call for a limited operation commencing December 1, 1994 weather permitting. If the weather is inclement, then the starting date will be updated to such time as placer operations can be effectively conducted at the mine site. The operation will be based on a year round operation under the above parameters. Present budgetary requirements call for a three year program. At that time further determination will be dictated by the interrelationship of our company and your jurisdiction. The procurement of a Major Mining Permit will also determine the cost effective potential of future mining activities.

As has been pointed out previously, the mine site will be manned twenty-four hours per day, seven days per week with the mining activities conducted in a ten hour shift per day. Idle mining time will be utilized to dismantle and prepare junk for load and haul off the mine site to the appropriate agencies that have approved outlets for such need. Further, the company will be actively engaged in reclamation of the previously "mined out" areas. It is hoped that in doing so, favorable consideration will be given as to "bonding requirements."

The work week presently calls for five days.

The access gate will be kept locked to discourage vandalism, and the company will provide your office with an access key.

WATER USAGE:

This company is keenly aware of the Wild and Scenic River System as well as full consideration of the Endangered Species that may be a part of the habitat. We therefore and in consideration of the above propose the following water usage plan that should be acceptable to your agency and others that may have an interest in the preservation of the environment now existing in this area.

Your letter indicates that we will utilize 15,000 GPM. This is in error, and we are at a loss to know from where this figure originated. The mine plan calls for a recycle water usage at a rate of 10,000 GPM with make up water to be pumped from the river

at rate of 250 GPM. A lined storage pond will be constructed which will be 25' x 25' x 5' @ a depth of 4' will hold: 625 cu ft x 4 = 2500 cu ft x 7.48 gals = 17,300 gallons of water. The make-up water will be pumped from the river from a 1/4" screened inlet directly to the makeup water storage pond. The waste discharge pond will lose some water due to alluvial gravel, but it is anticipated that fine settlement will soon seal off this water loss. The settling pond between the waste discharge pond and the water storage makeup pond will also be lined to prevent water loss. The water storage pond will contain enough water to charge the system and provide adequate water through recycle closed circuit to maintain continuous operation. Therefore it is calculated that 250 GPM draw from the river under the Utah Water Rights granted this company will be adequate, and should not present any disruption of the "water balance" in this area. This system will be adequate for long term operation and any plan for expansion is not anticipated.

The mine plan for ore processing does not call for any chemical infusion, surfactants, or reagents of any kind whatsoever. Fuel storage, fuel consumption sites, oil and grease usage areas will be lined and bermed for hazardous material control. Therefore any water returning to the river will be within the guidelines of the State water quality standards. Used oil will be stored in steel containers for transport to the proper recycling agencies.

At the present time all pumps will be diesel driven, and will be protected from high runoff water, river rising, through a 1/4" screened inlet through an adequate bermed area. This plan will prevent any marine intake into the pump system. The plan also calls for a 4" above ground line from the river pump to the water storage pond; a distance of not over 500'. Dual 6" high pressure diesel driven pumps at the wash plant, (closed circuit), will likewise be lined and bermed for hazardous material control. These pumps will have the capacity to pump 5000 GPM. The make-up water pump will be not larger than 500 GPM. which will yield

ACCESS;

The majority of the time the southern access to the mine site will be utilized, however, in the event that the north route is utilized, it will be through the county maintained ford.

The present road situation has been discussed with the County road authority, and a verbal agreement was reached in that the company would provide labor, equipment, and assist the County in a minimum realignment and culvert installation. If so required, we will contact the County for written agreement to satisfy your needs.

FUEL REQUIREMENTS;

High pressure water under a controlled washing system will be the sole power requirements for the wash plant. This will be provided by two six inch high pressure water pumps, diesel driven.

The fuel requirements for these two units will be approx 200 GPD.

Additional fuel requirements for the two backhoes will be approx 200 GPD. The balance of fuel requirements will be approx 100 GPD for a total of 500 gallons per day x 5 working days x 4 = 10,000 gallons of fuel per month.

The diesel will be stored on site, labeled accordingly with no smoking signs, flammable, etc in accordance with MSHA regulations including lined and bermed area sufficient to handle storage failure. It is possible that the existing 10,000 gallon tank could be utilized for fuel storage, however, careful testing for diesel fuel integrity will be done prior to utilization.

Oil, grease, and other lubricants that fall within the hazardous material parameters will be stored in secured areas that in an event of spillage, lined and bermed storage will prevent seepage.

Again, disposable materials will be stored and transported out of the area to the proper agencies that recycle used oils and greases.

MINING AND RECLAMATION OPERATION;

A detailed and accurate map depicting the location features for the pumps, fuel storage, existing building, and mining and reclamation areas is enclosed. Reclamation of old mining areas will take place as new mining areas are disturbed. The mining of the new area will actually commence where the old mining area stopped. This pit will be enlarged and provide adequate ore for the balance of this year and a large part of next year since our Small Miners Exemption limits us to 36,500 cubic yards of material or five acres of total disturbance.

The washplant currently under construction will handle 100 tons per hour. However, due to the limitation mentioned above, the capacity on a daily basis will be drastically reduced to approx 250 tons per day. Considering the fact that the river alluvial gravel weighs approx 1.6 tons per cubic yard, the amount of gravel that will be washed will be approximately 150 cubic yards per day or 3000 cy3 per month which will yield approximately 36,000 cy3 per year in order to stay within the confines of the permit.

The mining and reclamation will proceed concurrently; ie for every ton of ore gravel removed, the like amount will immediately be replaced.

The ore gravel has been sampled and runs very consistent through out the claim, therefore a continued operation from the starting point will yield values likewise and prevent movement from one point to another which will not be cost effective.

Again, AMMI has in the operating mine plan, full reclamation of old mining areas, dismantling structure at the appropriate time, and removing all trash and junk. This has been pointed out repeatedly and agreed upon to those individuals that AMMI has been in correspondence with in the past with your agency.

AMMI does not have a problem with reseeding areas of disturbance, however, it does not have the formula for such reseeding and would look to your agency for such information. Whereupon, AMMI would proceed to reseed areas of disturbance immediately upon completion of contouring etc.

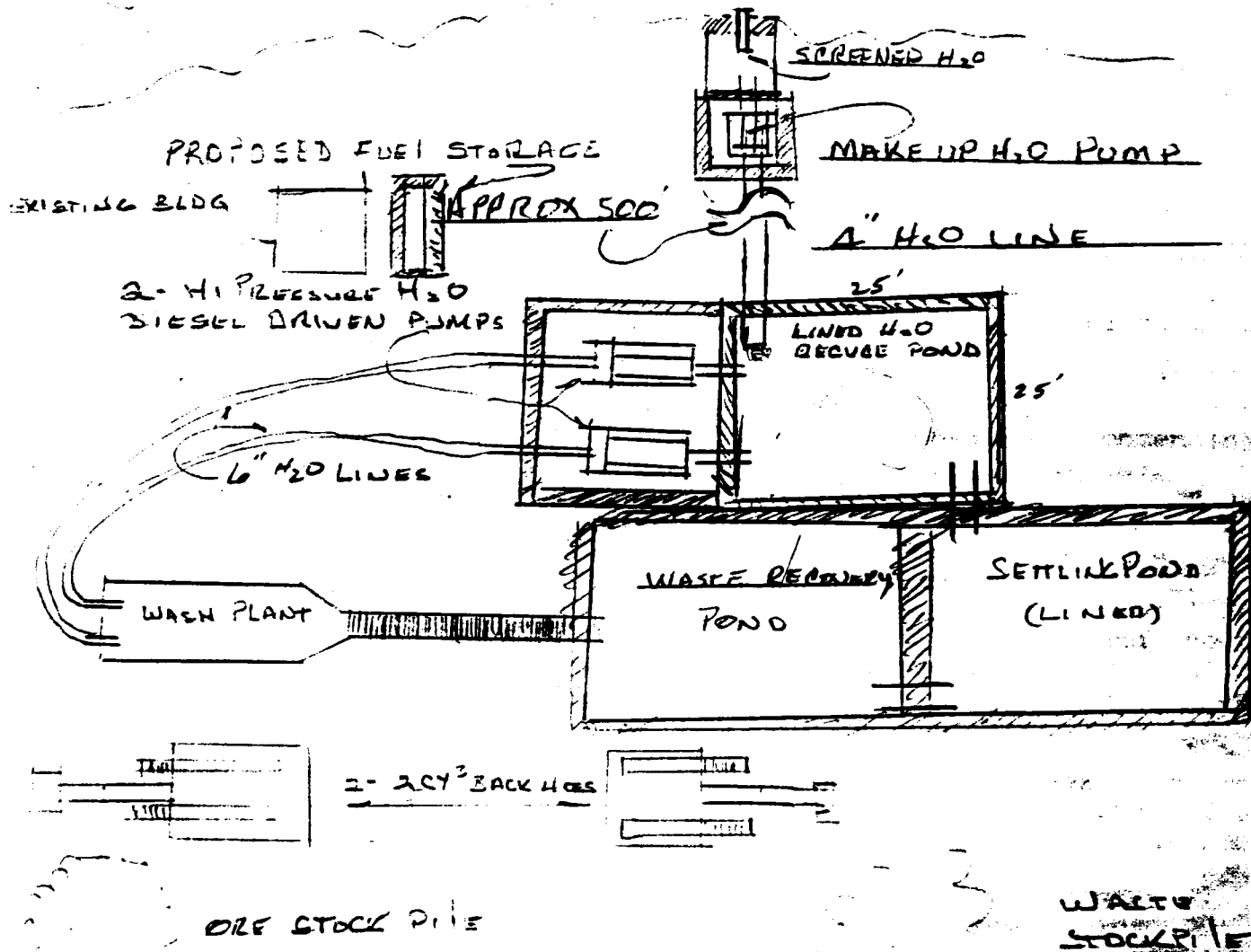
It is hoped that this addendum to the original Plan of Operation for the mining of this area is sufficient to meet the needs of your agency. We at AMMI intend to comply in every respect with the regulatory requirements of the permit.

Sincerely,



1992

DOLORS RIVER



AREAS TO BE
RECLAIMED
MINED

PLAN OF OPERATION
SUMMER DOLOR PROJECT
18 OCTOBER, 1994
D. WILSON - DRAWN